

MONTANA LEGISLATIVE HISTORY

Chapter 287 1983

Bill H 639 S _____ Original bill & history C

H. Committee on State Admin.

Hearing Date(s) Feb 10 ☒ C

No minutes could
be located re
action taken. _____ C
_____ C
_____ C

Date Out _____ C

S. Committee on State Admin.

Hearing Date(s) Mar 16 ☒ C

_____ C

_____ C

_____ C

Mar 16 ☒ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

3RD READING: 02/22/83, DO PASS AYES: 92; NAYS: 6

TRANSMITTED TO SENATE: 2/22/83

REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 3/1/83

HEARING: 3/10/83

REPORT: 03/16/83, BE CONCURRED IN

2ND READING: 03/18/83, AYES: 49; NAYS: 0

3RD READING: 03/21/83 AYES: 48; NAYS: 0

RETURNED TO HOUSE: 03/21/83

TRANSMITTED TO GOVERNOR: 03/25/83

SIGNED: 03/30/83, CHAPTER 300

HE 639 -- WALDRON, STIMATZ -- TO TRANSFER FROM THE DEPARTMENT OF ADMINISTRATION TO THE DEPARTMENT OF COMMERCE THE FUNCTIONS OF GENERALLY ASSISTING POLITICAL SUBDIVISIONS, EXERCISING OVERSIGHT OF FINANCIAL AND REPORTING SYSTEMS, SUPERVISING RECORDS RETENTION, AND PERFORMING AUDITS; AND PROVIDING AN EFFECTIVE DATE.

BY REQUEST OF: THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF COMMERCE

INTRODUCED: 02/04/83

REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 02/04/83

HEARING: 2/10/83

REPORT: 02/16/83, DO PASS

2ND READING: 02/18/83, DO PASS AYES: 67; NAYS: 3

3RD READING: 02/22/83, DO PASS AYES: 95; NAYS: 3

TRANSMITTED TO SENATE: 2/22/83

REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 3/1/83

HEARING: 3/16/83

REPORT: 03/16/83, BE CONCURRED IN

2ND READING: 03/18/83 AYES: 49; NAYS: 0

3RD READING: 03/21/83 AYES: 48; NAYS: 0

RETURNED TO HOUSE: 03/21/83

TRANSMITTED TO GOVERNOR: 03/25/83

SIGNED: 03/29/83, CHAPTER 287

HE 640 -- HARRINGTON, J. JACOBSON, LYNCH, ET AL. -- TO APPROPRIATE ALL MONEY COLLECTED FROM THE METAL MINES LICENSE TAX FOR CALENDAR YEAR 1982 PRODUCTION, THE TAX ON WHICH IS RECEIVED IN 1983, FOR USE BY THE LOCAL GOVERNMENTS OF AND SCHOOL DISTRICTS IN BUTTE-SILVER BOW AND ANACONDA-DEER LODGE; AND TO DISTRIBUTE SUCH FUNDS DURING THE BIENNIAL YEAR ENDING JUNE 30, 1985; PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

INTRODUCED: 02/04/83

REFERRED TO COMMITTEE ON APPROPRIATIONS: 02/04/83

HEARING: 3/24/83

REPORT: 03/28/83, DO PASS, AS AMENDED

2ND READING: 03/28/83, DO PASS AYES: 73; NAYS: 20

3RD READING: 03/28/83, DO PASS AYES: 81; NAYS: 14

TRANSMITTED TO SENATE: 3/28/83

REFERRED TO COMMITTEE ON FINANCE & CLAIMS: 4/5/83

HEARING: 4/9/83

ON MOTION, 4/14/83, THAT THE BILL BE TAKEN FROM THE COMMITTEE ON FINANCE & CLAIMS,

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE
February 10, 1983

The House State Administration Committee met at 8 a.m., February 10, 1983, in Room 129 of the Capitol. CHAIRMAN JOE BRAND presided. All members were present.

Chairman Brand opened discussion of bills in committee with House Bill 639, introduced by REP. STEVE WALDRON, who said it is the opinion of both the Department of Administration and the Department of Commerce that combining all functions that deal with local government in one spot provides for better and cleaner administration. It also allows local governments to go to one place to deal with all the services that are provided for them.

CHERYL HUTCHINSON from the office of the Lt. Governor spoke in support of HB 639. (Her testimony is attached.)

NANCY LEIFER of the Department of Commerce spoke in support of HB 639. (Her testimony is attached.)

DAVE ASHLEY of the Department of Administration spoke in support of HB 639. "Our interest is simply in seeing that the services provided by the department are provided in the best location in state government. The function of the Department of Administration is mostly one of service to state agencies. The Department of Commerce is in the business of helping business and other communities and working with economic growth in the state of Montana. It seems appropriate that we see that division transferred to the Department of Commerce."

GEORGE PENDERGAST, administrator of the Local Government Services Division in the Department of Administration, spoke in favor of HB 639. "The citations that you see on HB 639 essentially are comprised of statutes dealing with local government, including accounting for local government, the audit of local government, the destruction and retention of records and pledged securities. I am here to support HB 639 because we feel the Department of Commerce will offer the services that will complement local government."

GEORGE BOUSLIMAN, lobbyist for the Urban Coalition, spoke in support of HB 639.

There were no opponents to HB 639. Rep. Waldron closed by saying: "There will be some very minimal fiscal impact. The Department of Commerce will have to be reimbursed by the Department of Administration." He did not have the figures at this time.

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE

February 10, 1983

Rep. Phillips asked: "If we are transferring numbers, are we transferring people? Is there any increase in employees that is associated with this at all?" Rep. Waldron stated there was none. "The Local Government Services Division has 38 employees that will be transferred."

Rep. Sales asked a question of George Pendergast: "Where are you located now? Are you still in the same building?" George Pendergast: "We are located at 805 North Main."

Rep. Brand asked of Nancy Leifer: "Did you testify about audit functions to be properly used?"

Nancy Leifer: "No, what I meant to say was that the Local Government Services Division does audit local governments. In so far as a lot of funds that we are responsible for, like the assistance program, I think we could be more sure of local governments being responsible in the handling of that money if they knew they were going to be audited by George's people. When people are working in different departments, it is harder to get together than when they are in the same department."

Rep. Brand: "What about the computers that we have been transferring to the Department of Administration?"

Dave Ashley: "The Division of Local Government Services now has a micro-computer that they use for word processing and for footing their accounting reports. That is the machine that they will be using and will go with them under the Department of Commerce."

Rep. Brand: "So a computer will be moved?"

Dave Ashley: "Mr. Chairman, the Local Government Services Division is located at 805 N. Main and I believe that that lease expires in December of 1984. The Department of Commerce has indicated that they may want to further use that building by putting some additional personnel in that building. I just mention at this time that there is a piece of companion legislation, Senate Bill 181, that would have the effect of transferring three full-time employees from the Department of Administration to the Department of Commerce. That is the State Data Center. They deal with information in regard to the census and I think Commerce will be interested in putting those people in that building as well; I'm not sure."

There being no other questions, Chairman Joe Brand recessed the meeting for five minutes to give Rep. Fagg a chance to get to the meeting to report on House Bill 656.

HB 639
House State Administration Committee
10 February 1983
8 a.m., Room 129

Mr. Chairman, members of the Committee: I am Cheryl Hutchinson, representing the Office of the Lieutenant Governor. Lieutenant Governor Turman, who serves as the Administration's coordinator of state-local relations, supports House Bill 639. Our office was involved in the decision to propose the transfer of functions and staff referred to in HB 639. In doing so, we conferred with representatives of Montana's key local government associations and with the two departments before deciding that the transfer was a logical one to propose. While the Administration does not suggest there are immediate economies associated with the proposed shift, we do believe that delivery of services can be made more effective by integrating functions serving similar clients within the same department. We view the cooperation that exists between the two departments as good, but we are convinced that local governments can benefit from the coordination that can be achieved by having stronger organizational links. Staff members from the Department of Commerce and the Department of Administration will testify next to explain some of their past and projected activities. I hope, after you get a flavor for the kinds of responsibilities each unit is charged to carry out, you will agree that their objectives ~~are~~ ^{that you} ~~are~~ are of a kindred nature and will give favorable consideration to HB 639. Thank you.

Testimony of Montana Department of Commerce
In Support of H.B. 639

The Department of Commerce supports the transfer of the Local Government Services Division from the Department of Administration to the Department of Commerce. There are five points listed briefly below which explain the advantages of this move:

1. The Department of Commerce was formed 1½ years ago through a reorganization of three executive departments. At that time, state programs of assistance to local governments were more limited and less of a priority than they are now. Over the last 1½ years, the Department of Commerce has expanded its role with local governments and community development by assuming administration of the federally-funded "Small Cities" Community Development Block Grant program of approximately \$6.1 million per year for competitive grant awards. There is legislation before this legislative session to have the Department administer a state block grant program for local governments of approximately \$22 million per year. These programs reflect increasing recognition of two important facts:
 - a. Local governments have suffered increasingly significant losses in revenue over the past few years and therefore need some source of additional revenue;
 - b. Well-managed local governments that supply cost-effective quality services to their local communities are an essential part of local economic stability and growth.

Integration of Local Government Services (with its roles of financial auditing and technical assistance) into the Community Assistance efforts of Commerce makes good sense as the state proceeds to deal with these two facts.

2. Specifically, continued assistance to local governments in financial management will be especially helpful in rebuilding our local community facilities such as roads, jailhouses, water and sewer systems, many of which are either too small for existing needs or no longer adequate for modern standards.
3. The Department currently has four programs with the potential to pass grant funds to local communities. They are: Coal Board, Hard Rock Board, "Small Cities" Community Development Block Grant, Coal Severance Tax Land-Use Planning Grants. Having the Local Government audit function in the same department will enhance the Department's ability to monitor the use of these various grants.
4. Legislation pending before the legislature proposes to assist counties more effectively with district court costs (a program administered by Local Government Services) and to assist local governments in general with a block grant (to be administered by the Department of Commerce). It makes sense to locate these two programs in the same place.
5. Consolidation of these local government programs will create a focal point in a line agency for local government assistance and concerns.

REPRESENTATIVE KADAS, district 95, introduced H.B.288 by saying that the voter information is mailed out at a cost to the county. The purpose of this bill is to move the cost from the county to the state, since the issues are state. Representative Kadas submitted AMENDMENTS, EXHIBIT 2, and stated that it has a fiscal note attached so they may want to send this to Finance and Claims.

PROPOSERS:

BILL ROMINE, representing the Clerk and Recorders, said they are in favor of this bill. He said the clerks could send this out first class. The other alternative to the amendment is to have the secretary of state send them out and not go through the county. Maybe an arrangement would be that the secretary of state would have to get this money. It must come from somewhere. Testimony on EXHIBIT 3.

OPPOSERS:

CLIFF CHRISTIAN, representing the secretary of state's office said that the amendment does help the bill some. They still are having problems with sending 3 or 4 mailings of voter information to the same household. Another serious problem, as far as equity, is why should the smaller counties subsidize the larger ones. The cost will be spread and this proportion of the cost will then be allocated through the taxpayers to the smaller counties. The suggestion that we mail out the voter information was a suggestion of Mr. Romine and I would have to check this out, but we could do it without any additional funding. They would have to have a list of every registered voter. The probability is that it would cost them a minimum of \$75,000. He checked with the county of Missoula and it cost them \$4,000.

QUESTION OF THE COMMITTEE:

SENATOR MARBUT asked where the relief was?

REPRESENTATIVE KADAS said that they are leaving it up to the county commissioners.

The hearing closed on H.B.288.

CONSIDERATION OF HOUSE BILL 639:

"AN ACT TO TRANSFER FROM THE DEPARTMENT OF ADMINISTRATION TO THE DEPARTMENT OF COMMERCE THE FUNCTIONS OF GENERALLY ASSISTING POLITICAL SUBDIVISIONS, EXERCISING OVERSIGHT OF FINANCIAL AND REPORTING SYSTEMS, SUPERVISING RECORDS RETENTION, AND PERFORMING AUDITS; AND PROVIDING AN EFFECTIVE DATE."

TATE ADMINISTRATION

March 16, 1983

Page 3

REPRESENTATIVE STEVE WALDRON, district 97, introduced H.B.639 and said that the purpose of this bill is to transfer the functions that are stated in the title of the bill from the Department of Administration to the Department of Commerce. They thought that would be the most logical place to have it since there are a number of functions in there now that would be a companion to this. They find that when you discuss economic development it is difficult to deal with without some discussion of the local communities involved. It also seems logical to have local government functions located in one place. If the block grant programs, for both governments is approved, it will be in the Department of Commerce also.

PROPOSERS:

NANCY LEIFER, representing the Montana Department of Commerce, said that the remarks she was going to make have been fairly well covered and to add that they have been finding the ability for local government to provide a good base for local services is the key concern of businesses in locating or expanding in the community and for those reasons they feel that it would be beneficial to the state to have local government in the Department of Commerce.

DAVID ASHLEY, Department of Administration, stated that the Department of Administration supports this bill.

GEORGE PENDERGAST, Administrator of the Local Government Service Division, state that they support House Bill 639.

OPPOSERS: None.

QUESTIONS OF THE COMMITTEE:

SENATOR TOWE asked why it was put into the Department of Administration in the first place?

SENATOR STORY stated that a few years ago they had a unit mandate to do the same that now is "Build Montana", and this has been going on for 20 years. When reorganization occurred that was the nucleus of the Department of Community Affairs previously called intra-governmental relations. Community Affairs became a junk department with the Indian Coordinator and State Airforce and a number of things in it. He said that they put this into Administration because that is where the auditors were and because their chief function was auditing local government and the smaller one was in State Administration. We thought we would save a few bucks by reducing the number of audits.

STATE ADMINISTRATION
March 16, 1983
Page 4

GEORGE PENDERGAST stated that there are three areas that they function in, auditing, accounting and management systems and assistance to local governments. Last session they went from the general fund to the revolving fund and are now on the revolving fund for all the auditing staff.

SENATOR STORY said that their big computer is in Administration and they sent to Administration the one that does the census work. He said that they have passed a bill to take the data processing and put it into the Department of Commerce. He remarked that we will soon have a Department of Community Affairs again.

SENATOR TOWE said that one of the reasons they sent this to Administration was because the overwhelming amount of it was auditing and if the Department of Commerce is really going to help local communities you don't have the auditor doing all the work, because they are mad at him.

GEORGE PENDERGAST stated, that at the risk of taking issues with you in the terms of people getting mad at auditors the point was made and we went to a revolving fund. He said that they work in the market place no like every other private accountant. The government can contract with a public accountant. He said that they have one person that does nothing but answer questions on the telephone.

SENATOR TOWE asked Mr. Pendergast what he did.

GEORGE PENDERGAST stated that the change in automation makes everyone a vendor. They get calls every day for information, put proposals together, handle budgetary and purchasing. There has been someone doing this since the state began in the old state examiners office.

SENATOR TOWE asked Mr. Waldron why it went to administration in the first place.

MR. WALDRON said that there wasn't as much thought put into it as there was in other programs. Mr. Waldron also remarked that a wise administrator uses audits as a tool.

It was remarked that they transferred data processing to the Department of Administration and Information went to the Department of Commerce.

DAVE ASHLEY said it was considered a core activity the Department of Commerce would be doing but since that time Commerce has been involved as a contact place for local government and they have found that you need community development at the

same time with economic development. They have compiled a function already that deals with local communities.

NANCY LIEFER spoke to the changes and stated that they have taken block grant programs and that they are involved a good deal with local communities. The same office has created a hardrock program. She said that they started out with the coal board and since then they have found out there is a great deal of attention on infrastructure. In reference to regulations and facilities, they have been involved in the regulation of Burlington Northern; other areas are in banking and under I-95 trying to take some leadership in helping the economy in the way we use our banking system in the state of Montana.

SENATOR STIMATZ commented on SIBAS and BARS. SIBAS means a computer accounting agency, BARS is Budget, Accounting and Reporting.

The hearing closed on H.B.639.

CONSIDERATION OF HOUSE RESOLUTION NO. 19:

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING ASSIGNMENT OF A SELECT COMMITTEE ON INDIAN AFFAIRS.

REPRESENTATIVE ASAY, District 50, introduced this bill saying that the primary purpose of the committee is to work with the indian tribes of the state, developing attitudes and giving them the feeling of being a part of the government. There has been accomplishments in the past and it has been a responsible committee to run.

PROPOSERS:

SENATOR STEPHENS, District 4, offered an amendment to the bill, EXHIBIT 4, which says if Senate Bill 451 is approved and signed by the governor that the select legislative committee on Indian Affairs be transferred on October 1, 1983 to the Legislative management committee created in SB 451. It won't avoid any conflict and we would not end up with two jurisdictions.

OPPOSERS: None

QUESTIONS OF THE COMMITTEE:

SENATOR TOWE asked how much has this committee really accomplished.

REPRESENTATIVE ASAY said that he would not argue with Senator

STATE ADMINISTRATION
March 16, 1983
Page 6

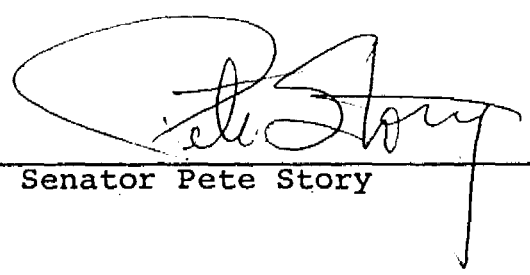
Towe's assessment but they have been making some progress with certain tribes, one being getting the Northern Cheyenne tribe to discuss indian water rights. He said there will be an amendment to the Senate bill by a couple of tribes. He questioned BIA's success.

The hearing closed on HJR 19.

ACTION ON HOUSE JOINT RESOLUTION 19:
SENATOR TOWE MOVED SENATOR STEPHEN'S AMENDMENT.
MOTION PASSED
SENATOR MARBUT MOVED HJR 19 BE CONCURRED IN AS AMENDED.
MOTION PASSED. Senator Marbut will carry the bill.

ACTION ON HOUSE BILL 639:
There was some discussion on the bill.
SENATOR STIMATZ MOVED H.B.639 BE CONCURRED IN.
MOTION PASSED. Senator Stimatz will carry this bill.

The meeting adjourned at 12:00 noon.



CHAIRMAN, Senator Pete Story

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date March 16

----- SENATE SEAT			
NAME	PRESENT	ABSENT	EXCUSED
SENATOR PETE STORY, Chairman	X		
SENATOR H. W. HAMMOND, Vice Ch	X		
SENATOR REED MARBUT	X		
SENATOR LARRY TVEIT		X	
SENATOR R. MANNING	X		
SENATOR LAWRENCE STIMATZ	X		
SENATOR THOMAS TOWE	X		
SENATOR GARY LEE		X	

45
34
44
33
48
7
26
11

March 16, 1983

VISITORS' REGISTER

101 10000 prepared statement with Secretary)

STANDING COMMITTEE REPORT

MARCH 16 1983

MR. **PRESIDENT**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE** Bill No. **639**

Waldron (Stimatz)

Respectfully report as follows: That **HOUSE** Bill No. **639**

BE CONCURRED IN

XXXXXXXXXX
XXXXXX